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Jain group bracing for a big leap

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JALGAON, OCT 4 BHAVARLAL Jain, who heads the Jain Group of Industries, has set an awesome goal for his Rs 110-crore group; to take the turnover to Rs 1,000 crore by the turn of the century. The task is daunting, but then, Mr Jain is sparing no effort to accomplish it.

By March 1992, the group, consisting of more than a dozen companies, is expected to cross a turnover of Rs 130 crore, with a major chunk of the sales coming in from PVC pipes and fittings, which are expected to net Rs 60 crore. Jain Irrigation Systems Ltd should bring in Rs 10 crore from the sale of drip systems, both in India and abroad.

The group is, meanwhile, looking at new avenues to boost its turnover. Its plan to enter the telecommunication and electronics fields, though, suffered a temporary setback.

"The economic policies of the Narasimha Rao government has made it difficult for us to venture into these fields since which require a high level of imports. So, we have to temporarily postpone our plan," Mr Jain told this correspondent at his modest airconditioned corporate office in this district town.

The group will, however, concentrate on the third plan; manufacture of solar heating system. Production should begin by June. Total investment will be

Rs 5 crore.

The solar water heaters, to be produced with the technical knowhow of an Australian firm, will need only two hours of sun in a day to provide hot water for the next 24 hours. The technology has been tried and tested in the US for 12 years. Mr Jain expects the solar heaters to be equally popular in India also, since which conserve energy.

If the product clicks, this will be the company's second success

The group plans to set up facilities for manufacturing solar water heaters with knowhow from an Austrian company

in 'conservation' business. The first venture, under the Jain Irrigation System Ltd (JISL), was in water conservation through micro irrigation, popularly known as drip.

JISL, established in 1987, had begun commercial production a year later and within three years, its sales were at Rs 16 crore. It now expects to raise exports from six per cent of turnover now to 30 per cent in the current fiscal. Cash flow (depreciation plus net profit) for the year is expected to be around Rs 10 crore.

JISL has declared a dividend of 18 per cent for 1990-91, at its

AGM last week. Its shares were quoted then at Rs 160 on the Bombay Stock Exchange. The price had doubled within a month, from Rs 85 to Rs 170, when the results were announced.

JISL has no reason to worry about the sale of drip irrigation systems since which are a priority item for subsidies with the Central and state governments. The present credit squeeze notwithstanding, drip systems will remain in demand as farmers are realising benefits of micro

at Jalgaon, is witnessing increased demand from advanced countries and the Middle-East. Exports this year would be around Rs 10 crore, he said.

The Jain group includes the Thane-based Emco Transformers Ltd (turnover: Rs 15.5 crore), acquired in 1986. Its future programmes include the manufacture of high-voltage mainline regulators, for the first time in the country, in collaboration with GEC.

At the global level also, the Jains have maintained its number two position in papain — an enzyme extracted from papaya fruit and required in breweries, food and pharmaceutical industries.

The Jain papain meets about 20 per cent of the global demand, and the group is next only to a Zaire firm in producing ultra-filtered concentrate in fine powdered form. This year, the papain holds a turnover promise of Rs 2 crore.

There are other units functioning as private limited companies under a single roof at the Jain Pipe Nagar here, and are managed by Mr Bhavarlal's sons and relations. Prospects of almost all units are considered bright since their products are agro-related.

The Jain group is the leader in PVC pipes, commanding 30 per cent of the market share. The group has a technical collaboration with Cincinnati Milacron of Austria for manufacturing the pipes. □

irrigation.

A JISL executive said the Centre had stopped subsidies to the farmers on account of the difficult balance of payment position, but there were reports that Rs 50 crore would be released for the current year out of the Rs 150-crore allocated for the eighth plan.

Besides the Central, state governments, like Maharashtra and Karnataka, are encouraging drip systems in view of the unpredictable monsoon and dwindling water reserves.

JISL has buyers in private sector also. And its export unit, located within the same premises